Washington, D.C. 20001-2797 202/484-1410 Fex 202/484-1481 ID: 2024341318 SAIDHIA J. CAMERINA Secretary-Treesurer

P.1/2cm 1/1

June 19, 1996

The Honorable Larry Pressler Chairman Committee on Commerce, Science and Transportation United States Senate Washington, D.C. 20510

Dear Mr. Chairman:

The Communications Workers of America/National Association of Broadcast Employees and Technicians favors having the FCC set the transmission standard for HDTV. We oppose any legislation that would undermine the ability of the FCC to act in this recard.

We are writing you and your committee colleagues to make our views known on this important subject because the Citizens for HDTV Coalition was unable to secure a time slot to testify at your hearing on Thursday. We are a member of this Coalition

One essential reason for the FCC to set a transmission standard as soon as possible is that it paves the way for the FCC to act on the equally important subject of channel allocations and assignments for digital TV to over the air broadcasters. This will allow the American public to enjoy free digital broadcasting in the not too distant future.

We look forward to working with you and your committee on this very important matier.

Sincerely yours,

Secretary-Treesurer

cc: Members of the Senste Committee on Commerce, Science and Transportation

Barbara J. Easterling Secretary-Treasurer

February 26, 1996

Dear Senator:

The Communications Workers of America (CWA), (AFL-CIO) has many thousands of members employed throughout the free over-the-air broadcasting industry. Our members' economic futures depend upon the viability of a free over-the-air broadcast system.

We are very concerned that recent proposals by the Congressional leadership to auction the digital spectrum reserved for High Definition Television will jeopardize the future of free broadcasting. Broadcasters are already faced with huge capital expenditures to make the necessary conversion to digital technology. So many would simply be unable to afford the additional burden of securing their "second channel" through an auction.

Auctioning the digital spectrum will therefore undermine the entire free broadcasting system. Consumers and those on fixed incomes will be forced to switch to pay services as local broadcasters cause to function because they can't compete in an auction. Many jobs would be jost.

In concert with private industry, the FCC has painstakingly mapped out the nation's conversion to digital video technology. Millions of consumers could soon have the benefit of digital television that is free — unless Congress goes ahead with these unsound auction proposals.

The CWA urges you to appose any proposal to auction the digital spectrum, whether it is part of debt ceiling legislation, a continuing resolution or stand alone legislation.

Sincerely,

Barbara J. Easterling Secretary-Treasurer

J19:14



INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS

1126 Fifteenth Street, N.W. Weekington, DC 20005 (2021 833-7000

I. J. BARRY

ACR F. MOORE

June 19, 1996

The Honorable Larry Pressier
Chaitman
U.S. Senate
Committee on Commerce, Science
and Transportation
SR-254 Russell Senate Office Building
Washington, DC 20510-6125

Door Mr. Chairman:

The purpose of this letter is to rectute our position regarding the establishment of a transmission standard for High Definition Television (HDTV) which we understand is the subject of a hearing to be conducted by the Senate Committee on Commerce, Science, and Transportation scheduled on June 20.

The international Brotherhood of Electrical Workers is strongly in favor of the Federal Communications Commission (PCC) setting a transmission standard for HDTV. We believe that a standard is in the best interest of American workers, particularly those in the consumer electronic and broadcasting industry who are represented by our union.

We are proud of the fact that the two largest TV set manufacturing plants in the world are in the United States (Incated in Indiana and Termessee) and are represented by our organization and our sister union, the International Union of Electronic, Sectional, Salaried, Machine and Furniture Workers (IUE). The two largest receiver manufacturers have pledged in writing to their unions to make HDTV receivers in the U.S. provided the U.S. sets a standard. Thus, a standard would not only have the effect of preserving thousands of existing high-wage jobs in the U.S., it would create thousands of new ones.

Our union also represents thousands of workers in the broadcasting industry. We know that a standard will accelerate the conversion to digital programming which will also create many new jobs in this important sector of the economy as well. More importantly, it will also give incentive to the PCC to commence channel effection and assignments for over-the-air broadcasters so that the American public can enjoy the full benefits of digital TV in the near future.

HDTV receivers will only be made in mass quantities if a standard is set. So, consumers will not enjoy lower, competitive prices for HDTV receivers unless the FCC acts on a standard. We applied FCC Commissioners Quello, Ness and Chang for recognizing these important facts and supporting a standard.

Obviously, we oppose any legislation which does not give free reign to the FCC to establish a transmission standard and by implication to allocate and assign digital channels to over-the-air broadcasters.

Thank you for your consideration of our views.

Shoreek

International President

JJB:pvs

cc: Senate Commerce, Science,

and Transportation Committee Members



INTERNATIONAL BROTHERHOOD OF BLECTRICAL WORKERS

1136 (Manust Street, A.W. Washington, OC 20005 (202) 833-7000

J. J. BARRY

JACK F. MODEL

February 15, 1996

The Honorable Spence Abraham United States Senate Dirican Senate Office Bidg., Rm. SD-245 Washington, D. C. 20510-2203

Dear Senator Abraham:

The International Brotherhood of Electrical Workers (IEEW), AFL-CIO, represents many thousands of workers at hundreds of local broadcast and network affiliated television stations around the country. We also represent over 15,000 members employed in the manufacture of television receivers. These members are employed by broadcasters and television set manufacturers who together are ready to build High Definition Television (HDTV) receivers and broadcast free over-the-air digital television to the American public as early as 1997.

We are alarmed over the proposed auction of the broadcast spectrum needed for the conversion to digital technology. It is our view that suctioning the digital spectrum could jeoperdize the future of free television and prevent HDTV from ever being commercialized. In so doing, we would sacrifice our nation's hard-earned and fregile lead in digital video technology.

We, therefore, oppose any effort by Congress to include spectrum auctions into the debt limit calling legislation, or any continuing budget resolution, or any separate piece of legislation.

With best wishes.

Sincerely.

International President

JJB:pvs

International Union of Electronic, Electrical, Salaried, Machine and Furniture Workers, AFL-CIO

AS, AFLUU

William H. Bywater, International President - Edward Pire, Secretary-Tressurer

February 26, 1996

Dear Representative:

The international Union of Electronic Workers, (AFL-C10) has 15,000 members employed in the menufacture of television receivers. RCA and North American Philips Corporation have pledged in writing to menufacture HDTV receivers in the United States upon implementation of a transmission standard by the FCC.

Accordingly, we are upset by a budget proposal of the Congressional leadership to auction the breadcast spectrum required for conversion to digital television. Any such auction could delay indefinitely our nation's transition to digital television and would represent a major satback to our members and to our nation's competitive position in digital video technology. Many of our members jobs would be threatened. Our nation's short-lived pre-eminence in digital video technology would also be jeopardized as competitors would develop digital video technologies of their own. Significant export opportunities would be lost.

We strongly urgs you to appear any auction proposal attached to debt limit ceiling legislation, continuing resolution, or stand alone legislation which auctions the broadcast spectrum reserved for digital television.

Sincersly.

William H. Bywater International Preside

DIGITAL MULTIMEDIA COMPRESSION, Inc.



600 Mountain Ave. (Room 3D-540) Murray Hill, NJ 07974 908 665-7890 Fax 908 665-7902 E-mail gtddmc@ix.netcom.com

March 4, 1996

Digital Multimedia Compression, Inc. (DMC) is pleased to add its support to the Citizens for HDTV coalition. DMC urges Congress and the Federal Communications Commission to do everything possible to promote the rapid implementation of high-definition television and other digital Advanced Television services. Specifically, Congress should support the plan the Commission and its Advisory Committee have pursued for more than eight years, including temporarily lending existing broadcasters a second 6 Mhz channel during a transition period while the nation's consumers and broadcasters make the conversion to digital television.

DMC is a newly formed company headquartered in Murray Hill, NJ that has licensed technologies from AT&T to make video encoders and decoders to provide HDTV and other digital Advanced Television services. DMC plans to begin shipping products in September, 1996. DMC is currently assembling venture capital funding to enable it to compete in developing and marketing equipment that will deliver these services. At this crucial stage, clear and consistent support from the FCC and Congress is needed to galvanize industry to make the investments required to bring this technology to the U.S.

During the last eight years, through a unique combination of government leadership and private investment and competition, the U.S. has developed world-leading digital video technology, dramatically leap-frogging earlier efforts in Japan and Europe to develop high-definition television. After investing hundreds of millions of dollars, the U.S. is poised to deploy this fertile technology, giving not only breathtaking improvements in the video and audio quality of entertainment and news television, but also upgrading the nation's information infrastructure to enable the delivery of a host of useful information-age services that will help address pressing needs in education, health care and communication.

Rather than auction the ATV spectrum now, DMC believes a far better course would be 1) to do everything possible to hasten the conversion to digital television, 2) to repack the ATV channels more tightly once today's analog transmission cease, and 3) to organize the recovered television spectrum into large, contiguous nationwide blocks that could support a wide variety of innovative wireless services. Such reorganized, contiguous spectrum could then be assigned using auctions. This would be far more valuable than the small, noncontiguous slices of television spectrum that could be made available for auction now.

Accordingly, DMC urges Congress and the FCC to reiterate their support for the nearly decade-long process to deploy digital broadcast television by acting promptly to adopt the Advanced Television standard that has been recommended to the FCC by its Advisory Committee, and to lend existing broadcasters a second channel to enable a practical conversion to digital television.

Dr. Gobind Daryanani

Q.4. Bysonan

President and CEO

Digital Multimedia Compression, Inc.



Electronic Industries Association

The Electronic Industries Association Advanced Television (EIA ATV) Committee is pleased to announce its support of Citizens for HDTV.

The diverse members of this coalition stand side-by-side to endorse the rapid implementation of HDTV. We recognize that a rapid conversion to HDTV will present new vistas of entertainment and information to the American public, foster and preserve American jobs, and ensure the united States' global lead in a critical new technology.

For HDTV to become a reality, the FCC must adopt the ACATS recommended standard, and loan spectrum to local broadcasters to be used during the digital transition. On behalf of Citizens for HDTV, the EIA ATV Committee urges the Commission to move forward as expeditiously as possible.

Jack Pluckhahn

Chairman

EIA ATV Committee

Jack Electrical



Consumer Electronics Manufacturers Association A sector of the Electronic Industries Association

2500 Wilson Boulevard ■ Arlington, Virginia 22201-3834 USA Tel 703/907-7600 ■ Fax 703/907-7601

The Consumer Electronics Manufacturers Association (CEMA) is proud to announce its support for Citizens for HDTV.

American consumers want and deserve free, over-the-air HDTV. If implemented, broadcast HDTV will preserve America's technological lead in digital television, create thousands of new, high-wage jobs in the U.S., and provide American viewers with the best television viewing experience they demand.

For nearly a decade, American industry has devoted hundreds of millions of dollars to develop a world-leading digital television system. Congress' proposed immediate auction of the spectrum will squander this investment, rob the U.S. consumer of free over-the-air HDTV and eliminate the jobs that would have been created by the transition to digital broadcast.

The diverse array of union workers, retailers, consumer advocacy organizations and others making up Citizens for HDTV demonstrate that broadcast TV is in every American's interest. We urge Congress and the Federal Communications Commission to promote the rapid implementation of broadcast HDTV by assigning spectrum for free over-the-air HDTV broadcast.

GARY SHAPIRO

President

Consumer Electronics Manufacturers Association

From the Office of the Executive Vice President & Chief Executive Officer

March 4, 1996

Electronics Representatives Association is pleased to join in its support for Citizens for HDTV.

It is vital that our policy makers in Washington understand that the question of HDTV and its introduction into the U.S. marketplace is an issue which deeply affects American workers and American consumers. We must move forward NOW rather than renege on our commitment to the world's best broadcast video technology.

Prompt introduction of HDTV will not only maintain American's technological lead and bring double resolution video and CD-quality sound to American homes, but it will also produce highly-skilled and highly-paid American jobs.

We endorse and join Citizens for HDTV in its endeavors to support the implementation of this important technology in the United States.

Sincerely



North American Retail Dealers Association

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Elly Valas

March 4, 1996

We wholeheartedly support the goals of the Citizens for HDTV group. Broadcast HDTV will elevate consumer enjoyment of television to a new level of satisfaction. Those of us who have seen demonstrations can understand how astonishing the increase is in clarity, definition and vibrant color.

When consumers see HDTV they will create a large demand for merchandise at retail to replace the current generation of products. This demand will create new sales and profitability for retailers and the jobs and income they generate for sales associates and other retail personnel.

Congress' plan to auction the broadcast spectrum needed for HDTV will prevent broadcasters from implementing HDTV and thwart consumers' enjoyment of this valuable new technology.

We join you in urging Congress and the Federal Communications Commission to promote the rapid implementation of HDTV by assigning spectrum positions for free over-the-air broadcast of HDTV.

Cordially,

Marvin Lurie, Director

Communications and Industry Relations

ML/pc



10 E. 22nd St. Ste. 310 Lombard, IL 60148 (708) 268-1500 FAX (708) 953-8957

March 4, 1997

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(617) 739-9877 FAX (617) 232-6693 We at The Professional AudioVideo Retailers Association (PARA) are pleased to join with together concerned parties to form the coalition, Citizens for HDTV.

It is vital that our policy makers in Washington understand that the question of HDTV and its introduction into the US marketplace is an issue which deeply affects American workers and America's consumers. We must move forward now rather than renege on our commitment to the world's best broadcast video technology.

Prompt introduction of HDTV will not only maintain America's technological lead and bring double resolution video and CD-quality sound to American homes. It will also produce highly skilled and highly paid American jobs and give a needed boost to the independent retail segment of the consumer electronics market. PARA represents 250 independent specialty retailers (roughly \$800 million in business with a total of), most of them small business owners, who will clearly benefit from the introduction of this new high performance technology. We also represent 100 manufacturers of high performance audio and video components, most of them American, who would benefit by selling more ancillary products to accompany new sales of HDTV product.

We are pleased to endorse and join Citizens for HDTV in its endeavors to support the implementation of this important new technology in the United States.

Sincerely,

Debra Smith

Executive Director, PARA

EXECUTIVE SECRETARY
Rosemary Wemstrom

MEMBER SERVICES
Melinda Miller



Only You Can Save HDTV!

A bill in Congress could spell the death of broadcast HDTV. Here's how you can help stop it.



After years of budgetary bungling in Washington, we've all gotten a little jaded about politicians selling off any public property they can find just make it look like the country's debt is smaller. Usually, it's a rust-belt railroad line or some pretty piece of land out West, something that seems abstract to most of us. But there's a bill slinking its way through Congress that could have a colossal effect on the way you get your home entertainment—and could forever kill your hopes of getting better video and audio.

In 1992, the government designated certain TV channels to be loaned to over-the-air broadcasters so they could begin transmitting digital advanced television signals. (Advanced TV is the latest term for what we've for years referred to as high-definition television, or HDTV, which gives you digital sound and a much, much sharper picture than you now get.) That's a good thing—loaning broadcasters the channels at no cost would make it much more affordable for them to move into HDTV, which will cost them millions.

During recent deliberations on the telecommunications bill now floating around Capitol Hill, some legislators have proposed to simply auction TV spectrum off to the highest bidder. Obviously, this added expense will strongly discourage broadcasters to upgrade to HDTV. What we'll get is just more of the same crappy programs we're stuck with now.

The biggest, most powerful force behind this movement is none other than Senator (and Presidential candidate) Bob Dole. Now, honestly, I may well vote for the guy. But I called up his office and told him I wouldn't unless he supported loaning of broadcast spectrum for advanced TV.

If you want better TV pictures, you'd better do the same. His number's 202-224-6521. Thanks.

no no

Theater

March 1996 Volume 3/Number 2

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When Two Worlds Confi



Laurie Frick, vice
president of Emerging
Markets at Compaq
Computer Corp.,
explores how uniting
technologies from
compatible companies
will forever change
how we interact with
our televisions and
our homes.

Can one plus one equal three? Perhaps, when market-shark jeaders in two different industries join forces to create new product categories.

That's the high hope for a partnership announced earlier this year between Compaq Computer and the RCA division of Thomson Consumer Electronics. Together, the giants of PC and video will apply their expertise to develop a generation of entertainment products that perform computerlike functions and communications with the operational simplicity of a TV.

As vice president of the new Emerging Markets Group, Laurie Frick guides Compaq's efforts in this cooperative venture, as well as in others the company might explore. As she explains here, the scope and aspiration of this partnership extends beyond specific products, to embrace universally compatible platforms for new technologies.

What is the mandate of your Emerging Markets Group? How does it differ from the way Compaq now develops computer products for the home?

The team was formed about a year ago, specifically to develop new products and services for consumers. By new, we mean things that go beyond what people think a PC is and what it does today.

How long had you been working with RCA when you announced your joint development project in May?

We actually started talking with RCA at the beginning of the year, so we were well along with plans and teams when we made the announcement.

Who makes up your group? Market researchers? Engineers? Both?

All of them and more. We shaped the group to go after innovation, so there's a team of engineers, software engineers, architects and hardware designers. Then, there's a marketing team that focuses on defining products that don't exist yet in the consumer's mind. The group also has a team of relationship builders who go out and develop relationships like the one with RCA.



What specifically brought Compaq and RCA together?

Both companies share an incredibly similar vision. We see products in consumers' homes that combine a lot of the capabilities of PCs with large-screen television, and eventually digital satellite transmissions and DVD multimedia discs. We have a shared vision of consumers getting these new services sitting on a couch, not in front of a desktop PC. This vision is so clear, we realized from the start we needed each other. What's interesting about convergence products is that consumers understand it's not just a TV and it's not just a PC. They know it's something new and different, and they'll feel more comfortable knowing these two companies are involved.

Does your agreement with RCA go beyond sharing technology? Will you market products jointly?



The agreement is structured in such a way it gives us a lot of freecontinued on page 82

THE LAS GORD IS TECH

continued from page 128

dom to grow the business and to maintain our brand identities. And as the category is created, we'll both have a lot of breathing room in it.



Do you ever foresee joint logos on products?

We're working on that, but we haven't gotten to the point where we've said here's exactly how it's going to be. We've talked about putting our logos side by side, about having RCA logos on things that are more like TV and Compaq logos on things more closely identified with PCs. We've even talked about creating a category logo.

Do you see these products going beyond what people call the Web-browser TV? Will there be mobile or home-automation devices?

We've talked about those things, but we're trying to stay focused on getting the first products out, so a lot of those areas haven't gone beyond the discussion phase. But at Compaq, we know it will offer more for consumers, such as videophone and the ability to control appliances and systems in the house—things such as lighting, heating and air conditioning.

There are some pretty stark differences between manufacturing and marketing computers and TVs. How do the corporate cultures match up between Compaq and RCA?

We marvel at each other's differences! Just the fundamental industry dynamics that each of us lives in is so foreign to the other. For example, Compaq has built a huge business out of integrating components from a lot of different companies.

continued on page 84

THE LAST WORD IN TECH

continued from page 82

We have relationships with all these technology suppliers, and our strength has been the ability to integrate their products on a timely basis.



How is RCA different?

RCA really builds its products from beginning to end. The company is much more vertically structured. They actually own the company that makes the glass that goes into a picture tube. They look at a project from the standpoint of long-term investment in the end product. That turns out to be a bigger difference than speed in manufacturing. It gives them their low-cost manufacturing capability.



How about similarities in the corporate cultures?

In terms of sales and marketing philosophy, we're both aggressive companies. Compaq built its business on figuring out how to beat IBM and become the No.1 PC maker. Thomson has the top market share in video in the U.S. That's an extremely tough and competitive industry, but they've managed to remain on top through product innovation and very astute consumer marketing.



Any other empathies?

Maybe the most important is just how people operate and act in meetings. Both groups of engineers and marketing people keep the problems really simple. They're very direct; they say what they feel. In terms of two companies working together, this has been the most expedient at getting things done that I've ever experienced.

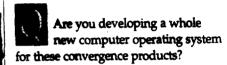
THE LAST WERD IN TECH

continued from page 84



When will we see the first products from the partnership?

We'll see them in the first half of next year. We'd like to under promise and over deliver.



The first things that we're building are Windows-based products. Part of the reason is that Internet connections are dominated by Windows-based devices. Also, it's a de facto standard, so this offers the consumer confidence things will run and play.

Both Compaq and RCA have said you were trying to establish a product category with a common platform and that you'd hoped other companies would join in. How do those other companies know what you're up to?

We're currently in discussions with other companies in such a way that meets all kinds of legal requirements but that lets them understand the direction the category can take and see the future as we see it. From such past experiences as the Beta-VHS wars and more positive ones such as the compact disc, electronics companies have learned that having the consumer feel confident in one compatible technology really drives a larger market sooner.

Editor's Note: The Last Word in Tech each month interviews a major player in the global business arena and showcases innovations, trends and new technologies in store for home and business, and explores their potential impacts.

Company Town W

Filmmakers Talk Turkey About Nature Programming

■ Movies: Each year the heavyweights of natural history films gather in lackson Hole to screen work and cut deals.

By PAUL LIEBERMAN

JACKSON HOLE Wyo They came to talk bucks, the antiered variety, and bucks . . . well, you know.

In what quickly has become an annual tradition, some of the world's leading natural history filmmakers and funders gathered here this week at the foot of the snow-capped Tetons to screen samples of their work, cut deals and gaze into the future-this year to discuss whether producers of wildlife programming should be poised to provide cutting-edge footage for the much-ballyhooed era of high-definition television.

Though wide-screen HDTV sets are not expected to hit the mass market until 1998 at the earliest, some of the cable networks that feast on nature programming already have begun funding expeditions to capture classic wildlife subjects-from the African plains to undersea coral reefs-using new 'high-def" cameras.

"This is some seriously cool technology," declared Thom Beers, the plain-talking vice president of Turner Original Productions, who is also serving as executive producer on TBS' "Wildlife Adventures" series. As evidence, he previewed spectacular snippets of perhaps the most ambitious HDTV project in the works, a six-film joint venture by Turner and Japan's public television network, NHK, that is sending top nature cinematographers to their favorite locations around the world.

An audience of TV and technology company executives applauded the results as they filled a 12-foot screen in the auditorium of Jackson Hole's new National Museum of Wildlife Art: leaping humpback whales off Alaska, charging herds in Botswana, a stirring African sunset-all shot in a digital technology that promises to bring those images into millions of living rooms with a clarity approaching that seen



GARTH DOWLING / For the Times

Barry Clark, left, and Wolfgang Bayer, founders of the Wildlife Film Festival, have seen it grow from a party into a major event.

in big-screen movie theaters.

Someday

That qualifier—and the financial implications of it-hung over the nearly weeklong gathering that in just six years has become to natural history filmmaking what Robert Redford's Sundance festival is to independent films. Every other year, industry heavyweights stage a full Jackson Hole Wildlife Film Festival inside Grand Teton National Park. But in off years, it becomes a smaller, down-to-business gathering for industry insiders. The topic for this year's Jackson Hole Symposium was "Natural History Programming and the Future of Television.

Most everyone agreed that HDTV technology will be a central part of that future.

The cameras operate with nearly the ease of current video cameras, but produce film-like quality through digital technology. Advocates gush about how it could be an advance akin to the onset of radio or

"If anyone wants shelf life (for their film), it's 'got to be high-definition wide screen," said filmmaker Randall P. Dark of "Woodstock" fame and who has become an HDTV pioneer. He's starting to shoot concerts in the format for Disney, and has produced a video raft ride for a nature park in which visitors sit on crates gently moved by air bags while watching images in which "you literally get pushed off and float down the river . . . as real as real can

But current prototype HDTV sets cost \$12,000 or so and the long-awaited establishment of HDTV broadcast standards by Washington has been held up amid squabbling between television and computer giants over who will control the design of the sets.

So even Turner's Beers acknowledged that while his company is intent on "pushing the format," it will be a long time before the station's viewers will be able to appreciate the HDTV images being recorded by nature film legends such as Al Giddings, who is returning to the Pacific Ocean site where some 70 Japanese ships were sunk during World War II and documenting how a once gruesome scene has evolved into a reef-like home for

beautiful sea life.

Because the use of evolving equipment makes an HDTV project more expensive (to upward of \$1 million for an hour of high-end nature programming). Beers said Turner's six-film project was feasible only because of cost-sharing with the Japanese and its production house. New York-based Rebo Group. In addition, a German concern was willing to pay more for a package of Turner nature films because they included three of the HDTV works, he said.

The uncertain timetable for HDTV has scared off-for the moment-another of cable's major purchasers of nature programming attending the symposium.

"We don't want to pay for something people won't see for five or 10 years," said Jonathan Rogers, the ex-CBS executive recently named president of Discovery Networks U.S., which runs the Discovery and The Learning Channel. "We'll do whatever the 'highest quality' requires. but enough people must be able to see it."

Discovery's recent moves are evidence of growing demand for images of animals and plant life, which rarely score major network-like ratings but can win millions of viewers for cable channels. Discovery has contracted to produce three hour-long nature documentaries for Rogers' old network, CBS, and later this month will release its first full-length feature film, "The Leopard Son." And on Oct. 4, it will officially launch a new channel. Animal Planet, hoping to reach 20 million households within five years. The channel's motto? "All Animals, All the Time."

To guarantee it will not soon run out of nature footage. Discovery recently purchased the film library of one of the founders of the festival here—the adventurous Wolfgang Bayer, who once smuggled camera equipment in dirty laundry to film rhinoceroses in Yemen.

It was at the urging of New York PBS officials that the Jackson Hole-based Bayer and the festival chairman, Los Angeles producer Barry Clark, first contemplated 'a small gathering of our colleagues" in 1991 to discuss the impact of changing technology on nature filmmaking

FOR IMMEDIATE RELEASE

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SENIOR CITIZENS WANT THEIR HDTV

Arlington, VA, July 11, 1996 -- At the Senior Citizens' Expo '96 held by the National Council of Senior Citizens in Chicago June 29-July 1, seniors citizens came out overwhelmingly in favor of HDTV. During the Expo, attendees could preview the Digital Grand Alliance's HDTV system, and 100 senior viewers were then personally interviewed on site by the Consumer Electronics Manufacturers Association (CEMA) on what they thought about the digital system.

Senior citizens surveyed were willing to spend \$1,000 to \$2,000 for a HDTV set. Eighty-six percent were interested in buying a HDTV set, and of those interested, 31 percent would spend \$1,500 or more, and 22 percent would spend between \$1,000 to \$1,500.

Picture clarity was the number one selling point for seniors with 75 percent saying that was what they liked best about HDTV. Ninety percent of those surveyed felt the picture quality of HDTV was "much better" than their existing sets. Seventy-seven percent also considered the sound quality of HDTV to be "much better" than their existing sets.

"HDTV brings the digital picture quality and sound consumers have begun to expect from

SENIOR CITIZENS WANT THEIR HDTV/2

their other consumer electronics products. Senior citizens are no exception to this rule and demand the same quality from their electronics products as other Americans," said Gary Shapiro, CEMA president. "The myth that seniors will not be able to afford HDTV or wish to spend their money on HDTV is outright false. Our survey showed that seniors were willing to spend up to four times the price of their existing TV for an HDTV set. Initial HDTV sets are expected to cost just a few hundred dollars more than today's similarly sized sets."

Current senior ownership habits show that they are prime prospects for HDTV. Of the seniors surveyed at the Expo, 53 percent currently own 25-inch or larger TVs, 97 percent connect their TVs to VCRs, and 70 percent subscribe to cable TV -- thus already investing in their television purchases.

The Consumer Electronics Manufacturers Association (CEMA) is a sector of the Electronic Industries Association (EIA), the 72-year-old Arlington, Virginia-based trade association representing all facets of electronics manufacturing. CEMA is the new name of EIA's Consumer Electronics Group (CEG). CEMA represents U.S. manufacturers of audio, video, consumer information, accessories, mobile electronics and multimedia products.

EDITORS: Please note that information regarding the Consumer Electronics Shows (CES*) and the consumer electronics industry is available via EIA/CEMA's World Wide Web Site, "The Consumer Electronics Cyberspace Companion" at http://www.eia.org/cema.

###

HE NERDS AND HOLLYWOOD S. THE BOOB-TUBE CROWD

or the Federal Communications Commission, it started as a technology debate about how to handle the transition to digital television, with its crisp images and increased program capacity. But suddenly, the FCC finds itself caught in a titanic struggle that's pitting broadcasters and TV manufacturers against Silicon Valley and Hollywood honchos such as Bill Gates and Steven Spielberg.

After nine years of study, the FCC hoped to complete a dual mission by yearend, to issue a new digital transmission standard and award new airwave space to broadcasters. But a belated lobbying blitz by Silicon Valley threatens to sink the

agency's plans. At stake is a market potentially worth billions for the next-generation TV-a "smart box" that is part personal computer, part entertainment device. Some computer designers fear the FCC ruling could tie their feet as they race for a chunk of that market. "It delays the time when there will be natural competition between the TV and PC industries," argues Microsoft Senior Vice-President Craig Mundie.

The key issue is how signals are received. Tvs use an older "interlace" scanning, while PCs operate on a higher-qual- CATES: High-level arm-twisting "progressive" scanning. Eventually,

all broadcasts will probably use the progressive method. But the proposed FCC standard-influenced by foreign TV makers—would let broadcasters beam programs by either means. The TV folks say this is a flexible approach. But computer critics gripe they will have to install costly equipment in PCs to handle interlace. "It's like Protestants and Catholics in Northern Ireland arguing religion," says former FCC Chairman Richard E. Wiley, head of an FCC panel that oversaw development of the standard. "You won't get agreement."

For broadcasters, who have been aligned with TV makers, the primary objective is to get the FCC to allot the new airwave space as soon as possible. The broadcasters expect to get the new spectrum for free so they can transmit their programs in both digital and current analog formats. But they could have leftover room on the spectrum to offer new shows or other lucrative services. GOP Presidential nominee Bob Dole wants broadcasters to pay billions for the airwaves. The broadcasters are pressing for an FCC ruling before Election Day in case underdog Dole becomes President.

SCRANDLING. The politically powerful broadcasters are backed by Republican and Democratic leaders in Congress, who are urging FCC Chairman Reed Hundt to move ahead on the

plan. But Hundt wants the market—not the FCC—to set a standard. He sympathizes with Silicon Valley and has added a Microsoft Corp. executive to the committee reviewing the standard. In July, he warned Microsoft that the White House seemed to be siding with the TV makers. That triggered some high-tech lobbying, including a phone call from Microsoft Chairman Gates to Commerce Secretary Mickey Kantor.

Hollywood officials have also joined the Gates crowd. In June, DreamWorks SKG co-founder Spielberg arranged for Vice-President Al Gore to meet with movie

execs, who favor the progressive standard on artistic grounds. The 11th-hour outcry has the Administration scrambling. Kantor's team recently met with the feuding parties to seek a compromise. One possibility is to set a deadline for moving to the progressive system favored by Silicon Valley. But neither side budged.

That raises the prospect of no decision until after the election. Sweating broadcasters may conclude they're better off dealing with Gates now than betting that Dole won't win the White House this fall.

By Amy Barrett





BusinessWeek

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Readers Report

'AN INFORMED PRESS CAN MAKE A DIFFERENCE

Thank you for all the good work you did on the NASDAQ matter. Michael Schroeder helped set the stage for our investigation and report. It's another example of how an informed press can make a difference.

Arthur Levitt Chairman Securities & Exchange Commission Washington

THE LICKETY-SPLIT PACE OF CHANGE

Some economists claim computers are not boosting growth and are a trifling share of the U.S. economy. Just not so ("Something doesn't add up here," Economics, Sept. 2). In the next 15 years, the computer industry will likely bring about more cultural change than in the past 100 years. Those young men that changed our world-Bill Gates, Steve Jobs, Michael Dell, Larry Ellison, and Ted Waitt-are laughing all the way to the Billionaire Boys Club.

Glenn Ralston Indianapolis

THE BEST OF ALL POSSIBLE **HDTY STANDARDS**

The new broadcast standard for digital TV, tentatively approved by the Federal Communications Commission, is the most flexible broadcast standard ever conceived ("The nerds and Hollywood vs. the boob-tube crowd," Washington Outlook, Sept. 2).

This digital standard—already recommended by the FCC Advisory Committee last November-gives consumers a choice about how they join the digital revolution: through a converter box for their current TV set; a new digital highdefinition television (HDTV) with even more processing power, or a digital TV.

No other digital-standards design in the U.S. or abroad—for over-the-air, cable, wireless cable, satellite, or telephony transmission—offers this choice.

Business Week

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The standard, developed over the past nine years with cooperation and input from all interested parties (including Silicon Valley and Hollywood), ensures that consumers' investment in digital technology will work wherever they go, as technology changes. With five of the six HDTV transmission formats in the standard using computerfriendly progressive scan, this is the best technology America has to offer.

The technology should not be delayed just because of a small but vocal segment of special interest groups. Now is the time for the FCC to mandate the new digital standard.

> Peter M. Fannon Chairman Citizens for HDTV Washington

AN. FOR THE DAYS WHEN I DROVE A YW

Nostalgia for vintage Volkswagen Beetles has already erupted ("There's money in old bugs," Up Front, Sept. 2). Or, more likely, enthusiasm for this lovable vehicle has never waned.

We baby boomers were especially fond of these strange-looking cars. Nearly all of us, at some point in high school or college, had an experience with one. The car evokes memories of a simpler time, when gas was cheap (30¢ a gallon) and the open road beckoned. We all knew the Beetle would get us there.

As the owner of a 1973 Super Beetle convertible, I can't tell you how much joy and fellowship this car has afforded me over the past two years.

Yes, times have changed. The wind whistles through my hair a bit faster these days, but good things never change. Here's to life in the slow lane.

> Tomm Sprick New Milford, Conn.

BOB DOLE IS ALL FOR SCHOOL CHOICE

Rudi Dornbusch criticizes Bob Dole's economic plan for not having a schoolchoice program ("Dole blew a chance

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Business

SATURDAY, AUGUST 17, 1996

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THE TAX PROPERTY OF THE PARTY OF THE PARTY.

THE INDIANAPOLIS STAR



telf Photo / Petrick Schneide

TV'S FUTURE: Tennis fans took time out Thursday from watching the RCA Championships to view the HDTV display by Thomson Consumer Electronics. Thomson is one of the forerunners in development of the new higher-quality televisions.

Thomson gives peek at big picture

Consumer electronics firm unveils its high-tech HDTV, the next wave in television.

By Chris O'Malley

ouch potatoes arise: your future object of worship has been unveiled under an air-conditioned tent at the RCA Championships.

No. it isn't Andre Agassi. It's high definition television, or HDTV.

Thomson Consumer Electronics will show off HDTV through Sunday at the tennis championships at IUPUI. It's the biggest thing in television since color sets hit the market three decades ago.

Until now, displays of HDTV have been reserved for industry types at trade shows. Or for members of Congress that Thomson and other manufacturers have tapped to help

Speedlet has more



E Feel the noise. Check out the newest interactive feeture, The Sights and Sounds of Racing, sportsored by RCA.

Startitume Chitre. Speediter and Indiana's Garre are on the

persuade federal regulators to adopt a common set of standards for the new industry.

"The RCA Championships is the first opportunity for the public to see what we're talking about with 21st-century television technology," said Dave Arland, a Thomson spokesman.

Thomson employs about 6,000 at its Indiana operations, which include a picture-tube plant in Marion, a television-assembly unit in Bloomington, and cabinet and circuitry operations in Indianapolis.

The Indianapolis company dared to place the HDTV display amid its current RCA. GE and ProScan-brand sets.

There was no comparison.

"It's incredibly sharp," said Michael Ludwig of Beech Grove, who watched the HDTV demonstration with wife Nancy.

He especially liked the 30-percent wider HDTV screen that is a natural for letter-box-style tilms. That wider screen, and the digital transmission technology that drives it, will allow room for lots of sharp text, too, in computer-screen clarity. You can send upwards of 6-million pieces of data across every three seconds — in addition to video.

Conventional television sends pictures, basically, by varying the height and length of electronic waves. The picture on an HDTV is determined by sequences of 1s and 0s, like a computer. This digitizing allows vast amounts of more information to flow.

An HDTV set will have a picture tube that takes advantage of that extra data, with

See THOMSON Page 2

THOMSON Continued from Page 1

about three times more visible lines of resolution than conventional, analog television.

Thomson's HDTV sets on display have slightly less resolution because they're modified sets already in production. Still, images showing scenes from NASCAR races. Monument Circle and the Indianapolis Museum of Art were striking.

While a picture may be worth a thousand words to onlookers. HDTV will cost more than \$1.000.

More like \$5,000 for the first sets, although that price is likely to fall later. Thomson says a big component of the cost will be to make the higher-resolution picture tubes.

Ludwig said he and his wife are likely to wear out their existing TV first, before buying HDTV. However, they may not have the opportunity for a couple more years.

Thomson said the earliest sets will likely be available is the sum-

mer of 1998.

Sales of HDTV sets also may depend on how fast local television stations begin broadcasting in HDTV signals.

Broadcasters will be watching consumers. They will want to see what demand is like before jumping to the more expensive transmission of HDTV signals.

"How's Thomson going to price the sets?" asks John Dawson. president and general manager of WISH-TV.

WISH-TV estimates that it will spend \$7 million to \$10 million to convert to HDTV transmission. When the station put up a new. 1.048-foot tall transmission tower in 1994. It made sure it was "HDTV friendly." by pre-wiring it for conversion, Dawson said.

Under proposed federal rules, broadcasters will be assigned a second channel on which to broadcast in HDTV. WISH-TV, for example, would be assigned HDTV channel 53, under proposed FCC rules.

That way, the 220 million analog sets on the market won't have

to be junked immediately. The eventual cost to replace them is estimated by the National Association of Broadcasters to be \$187 billion.

Long after electronics makers have demonstrated the viability of the technology, and after Thomson and other companies have invested \$500 million developing it. HDTV is now mired in regulatory and industry bickering.

That extra channel the federal government years ago proposed giving broadcasters for HDTV turns out to be a valuable spectrum. Providers of paging services and cellular phone signals and numerous others also want it.

Meanwhile, opposition to the current HDTV standard also is coming from some in the computer industry, which is competing with TV as the appliance of choice in future living rooms. Thomson officials hope that government regulators will grant key approvals of HDTV technology and channel allocation by year-end.

To put it into perspective, battles also occurred in the 1950s,

when standards for color television were being adopted, noted Ed Milbourn, manager of advanced television technology planning at Thomson.

Back then, the government gave its bloosings to a color TV standard developed by CBS that used an awkward, spinning wheel in the picture tunhe that contained something aking to color gels used in theater lightnag.

Ultimately, regulators picked the all-electronic system developed by RCA that is the technological backbone of today's television.

The battle over HDTV is coming to a head, if slowly. Exterimental HDTV stations already are broadcasting in Raleigh, N.C., and in Washington, D.C.

Already, technical crews_{durring} production of sitcoms are being careful to keep sets clear of n_{icro-phones} and other obstacles hat would show up on wider Hlgy screens.

"Once it's approved, it will happen very (ast." Milbourn said. "This is a new industry being born right before our eyes."

THE NEW YORK TIMES February 17, 1996

I Want My HDTV

By Richard E. Wiley

WASHINGTON
for an eight-year cooperative effort between the Government and industry, the United States leads the world in the development of digital high-definition television.

But Congressional concerns, arising in connection with enactment of the new telecommunications act, may derail the careful transition that the Federal Communications Commission has planned from our existing video system to the new technology.

HDTV will provide viewers with dazzlingly clear, wide-screen TV pictures and CD-like sound. But such a technical advance is not just about prettier TV. What beckons is a new

Richard E. Wiley, former chairman of the F.C.C., was head of its Advisory Committee on Advanced Television Service. Now a Washington lawyer, he represents communications companies.

era in which digital TV receivers, incorporating computer intelligence, will provide easy access to the information superhighway and its advanced digital services.

The United States' role in HDTV began in 1987 when the F.C.C. organized an industry advisory committee to help establish a new broadcast transmission standard (the existing standard was set in 1941). After reviewing numerous proposals, it determined that systems using digital transmission were superior to the older analog technology. It then urged the remaining proponents to switch to digital and ultimately merge into a single consortium.

After exhaustive testing, this system has now been recommended to the F.C.C. as the basis of a new national standard. It represents a tremendous advance in TV technology that will allow broadcasters to deliver not only HDTV but, in different times of the day, multiple lower resolution programs and data services. The system also works with computers and other imaging technologies.

To bring about digital TV, the F.C.C. has planned to lend a second channel

Congress could slow down digital technology.

to each TV station, employing frequencies reserved for broadcasters but unused because of signal interference. Fortunately, digital transmission will permit much more efficient use of this spectrum. The F.C.C. intends a gradual transition to the new service, enabling viewers to use their analog sets for a number of years. When the transition is completed, the existing channels would be returned to the Government for other uses.

Critics on Capitol IIIII and elsewhere have raised a number of objections:

 That it represents a giveaway of vahiable frequencies to broadcasters.
 But in reality it is only an exchange of one block for another, with the public getting a greatly enhanced service. Broadcasters would not be allowed to retain two channels permanently.

• That new legislation should require an auction of the HDTV spectrum. But this would disrupt the F.C.C.'s planned transition to digital broadcasting and likely lead to HDTV's development as a subscription service, offered only by cable and satellite. A better alternative is to auction the existing channels, which, when returned in a concentrated spectrum block, should be more valuable than the dispersed digital frequencies.

• That broadcasters should be given less than a full second channel. But the consortium system cannot be so divided, requiring the lengthy design and testing of an entirely new transmission system.

mission system.

 That lower resolution digital TV is as good as HDTV. But hundreds of advisory committee experts did not agree, judging HDTV as a quantum lean forward.

Government leaders must determine where the public interest lies in this debate. But it is essential that they understand the technical, economic and social benefits in digital TV and its many spinoff services.

THE NEW YORK TIMES June 24, 1996

Congress Asks F.C.C. to Begin Lending Channels for Digital TV Broadcasts

By JOEL BRINKLEY

Senior leaders of the Senate and the House, in a letter to the Federal Communications Commission, have asked the agency "to move forward as expeditiously as possible" to lend all of the nation's television stations a second channel so they can begin the transition to digital broadcasting.

The letter said Congress was no longer interested in auctioning channels set aside for digital broadcasting, an idea former Senate Majority Leader Rob Dole promoted but was unable to include in the new telecommunications law. The letter, dated June 19, was signed by Mr. Dole's successor, Trent Lott; House Speaker Newt Gingrich, and leaders of the Senate and House commerce committees.

The letter appears to settle at least two contentious questions as the Government nears the end of its stations would return the original

nine-year plan to move the nation to a new generation of television services: Should the digital-television spectrum be auctioned, and should the F.C.C. set a technical standard for the digital broadcasts, like the National Television Standard Committee standard for broadcasts?

Under the F.C.C.'s tentative plan, each television station would be lent a second channel for a undetermined number of years. During that time, each station would broadcast its conventional, analog programming on the original channel. Much of the same programming, other shows and digital services would be shown on the second, digital channel, which could be viewed by people who had digital televisions.

Some of the digital programming, broadcasters say, would be shown in high definition — twice the sharpness and clarity of today's TV. In 10 or 15 years, assuming most Americans had bought digital TV's, the stations would return the original

channels to the government, ending analog broadcasting.

The F.C.C. first proposed that plan in 1990, before the Government declided to auction small portions of the nation's airwaves for cellular telephone and paging services, raising billions of dollars.

Last year, some members of Congress and people in the telecommunications industry contended that broadcasters should not be lent these additional channels, when companies were paying for other portions of the spectrum.

In letters last winter, the Senate and House ordered the F.C.C. not to award the second channels until Congress had studied the issue. Reed E. Hundt, the F.C.C.'s chairman, seemed to agree with Mr. Dole, saying: "The digital spectrum is beach front property on the cybersea," so auctions should be considered.

Last Wednesday's letter from Mr. Lott, Mr. Gingrich and the others said: "The Commission should move forward as expeditiously as possible on its current plan to award a second license to television broadcasters for the transition to advanced television services."

The letter goes on to urge the F.C.C. to set standards for the transition to digital broadcasting "no later than April 1, 1997."

Over the last several years, a consortium of American and European companies known as the Graud Alliance developed the digital-television standard under consideration now, in a process directed by the F.C.C.

Recently, however, Mr. Hundt has been saying he is not sure the F.C.C. should set a digital broadcasting standard, arguing that rapid advances in digital technology might make the new standard obsolete.

Broadcasters and television manufacturers said no one would have the confidence to build the new sets or air the new programs unless the Government set a standard.

Congressional and F.C.C. officials

could not be reached for comment. Mr. Lott and Mr. Hundt were traveling and unavailable to comment.

Last month the F.C.C. tentatively endorsed the Grand Alliance standard in the Federal Register. At the same time, the commission, reflecting Mr. Hundt's concern, asked whether any standard should be set.

In their letter, the Representativessaid they want "rules establishing a broadcasting standard for over-the-air digital broadcasting" set no later than April 1. There is little chance that a new standard could be developed by then.

However, the Representatives seemed to agree with broadcasters and manufacturers, saying, "The Commission does not need any additional statutory authority to proceed with the assignment of digital licenses."

The letter represents a victory for the National Association of Broadcasters, which had lobbied hard to avert spectrum auctions.

The Citizens for HDTV Coalition joins the lobbying effort for Advanced TV

HIGH FIDELITY

HE TELEVISION COMMERCIAL BEGINS WITH A GRID OF small windows, each containing clips from a different prime-time TV show. Gradually, the windows fade to black while an ominous voiceover warns that the government is threatening to impose a tax on "free TV." The spots, sponsored by the National Association of Broadcasters, began appearing nationally last March and were among the first public salvos to be fired in what's shaping up as a complex election-year battle. At issue is the future of High-Definition Television (HDTV) and the entire broadcast-TV landscape. And a new soldier has taken to the field: The Citizens for HDTV Coalition, a Washington, DC-based lobbying organization that represents broadcasters,

TV manufacturers, and consumer groups.

Though few have actually seen it, most Americans have heard something about HDTV, a digital broadcast system that can offer over 1,000 lines of horizontal resolution as well as pristine multichannel digital audio. To make HDTV work, its creators had to find a way to shoehorn a huge amount of digital data (20 million bits of information per second) into the existing 6-MHz slices of broadcast spectrum. All evidence suggests that they've succeeded; early demonstrations have revealed stunning film-like images.

But HDTV's creators may have done their job too well. While each 6-MHz slice of spectrum can be used to broadcast a single channel of HDTV, it can also be used to broadcast several channels of lower resolution standard-definition digital TV—or software packages, stock quotes, sports scores, or other types of data. And because this Advanced TV (ATV) system doesn't interfere with adjacent channels like today's analog broadcast system does, 1,600 "new" digital channels—one for every full-power broadcaster in the country—will be freed up when the new system is implemented.

The key question on Capitol Hill centers around the ownership, value, and potential uses of this new spectrum. "We're not saying that the only use for the digital channel should be HDTV," says Dr. James Carnes, president of the David Sarnoff Research Center, a key contributor to the HDTV standard, and a spokesman for Citizens for HDTV. "But we

need Congress to help accelerate the transition to ATV."

The FCC has proposed a plan that would lend each existing broadcaster one 6-MHz band of spectrum; broadcasters would use it to gradually begin broadcasting ATV while maintaining their existing analog TV services. Sometime within the next 7 to 10 years, it's assumed that broadcasters and consumers will be well along the way in their gradual transition to ATV; ownership of the spectrum previously used for analog TV would then revert back to the government, which would auction it off to the highest bidders. The proceeds would be used to help reduce the federal deficit.

While the Coalition favors an open-ended loan period, it prefers the FCC's plan to a proposal currently being

considered in Congress: Senate Majority Leader and Presidential hopeful Bob Dole (R-KS) and Senator John McCain (R-AZ) are in favor of immediately auctioning the spectrum. In a widely quoted statement, Dole called long-term spectrum loans "corporate welfare" for broadcasters.

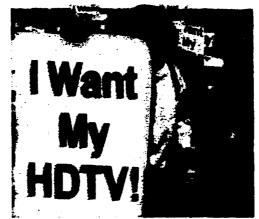
"By calling for auctions now, Bob Dole and Congress are being shortsighted," says Linda Golodner, president of the National Consumers League, a member of Citizens for HDTV. "Dole needed a certain number of populist issues in his corner, and this probably seemed like an easy one. But we feel that holding auctions

now presents a legitimate threat to free over-the-air broadcast television. If we auction the spectrum now, we don't think we'll ever get HDTV. The Coalition's intent is to make it clear that it's not just a broadcasters' issue."

The spectrum's value is broadly pegged at between \$5 and \$15 billion. "But we're overestimating the value of the current spectrum and underestimating its value down the road," argues Carnes. "In 10 years, the spectrum could be repacked into contiguous chunks. And it could be worth 10 times what it's worth now. In my business, if someone says you can get \$7 billion now or \$70 billion later, I'll take the \$70 billion.

"It's tough for those of us who have been slaving for 8 years on this standard," Carnes adds. "HDTV offers five times the picture information of our current broadcast standard with the same coverage area—and we can do it with one-sixteenth the power. We've created a miracle, but it's gotten bogged down by politics."

— Marc Horowitz





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VIEWPOINT

Keep The Faith

The Federal Communications Commission is at last about to kick off a series of meetings that will likely conclude with the adoption of an official U.S. standard for the over-air transmission of digital TV signals in general, and digital high-definition TV in particular.

That's all well and good, even though we're now about two years behind the schedule anticipated in 1988 when the FCC issued a "wish list" of HDTV parameters and so launched the search for a suitable standard. The reward for the delay is that the digital system developed by the Grand Alliance and recommended by the FCC's Advisory Committee On Advanced TV is technologically light years ahead of what was envisioned when the effort began.

What is disturbing, however, is the word that the FCC, under political pressure, is considering revisiting the ground rules it set for broadcasters eight years ago.

Under those rules each existing TV station was to be given a second channel for the advanced TV transmission. That would enable stations to continue serving owners of conventional TV sets during the 10 or so years it will take for the market to complete the broadcasting transition from today's analog to tomorrow's digital. When the transition is complete, broadcasters are to give up their original channels, which would then be given to others or put up for auction.

But some look at this plan as a giveaway of a spectrum resource that, if auctioned, would raise billions. And it would. But it also would set back the coming of digital TV by years.

Although our heart usually fails to bleed over the problems of the broadcast establishment, this case is a little different. A TV spectrum auction would drive independent broadcasters right out of the top 100 markets because they would be unable to match the bids coming from the new breed of communications conglomerates and opportunistic consortiums.

As for broadcasters in smaller markets, they're going to be hard pressed just to come up with the money for new digital studio and transmission equipment — a camera alone runs \$500,000 — without having to go into hock to buy a channel.

We see no need to threaten the broadcast system in place today. Certainly, the FCC should set a use-it-or-lose-it digital channel timetable along with a deadline - keyed to local marker penetration of digital TV receivers — for the return of the license to the non-digital channel. During the time that takes, the FCC should be better able to tell what would be the best use of the now-idled channel. It may well not be more TV, and certainly, an auction then will be a lot more profitable.—R.E.G.

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